

He borrowed \$2,500,000 in specie of the Barings, who were considerable holders of the bank stock, forbade the issue of notes in the South and West when exchanges were against the branches, which was almost invariably the case, and in dealings with the government insisted upon the interval between the transfer of funds and their disbursement which was actually required for the transfers. The bank was saved and was conducted with comparative prudence until the breaking out of the war with President Jackson.

The second Bank of the United States undoubtedly contributed for more than a decade to facilitate the transfer of funds from one part of the country to another and to maintain a uniform circulation equal to coin. The rates of domestic exchange, which were necessarily high because of the imperfect means of communication, were materially reduced by the bank. Its policy greatly benefited commerce, but invited bitter complaints from the private dealers in exchange, who had been enabled to make excessive profits while the currency was below par because of its different values in different States and the constant fluctuations in these values. The bank, in the language of the report of Senator Smith of Maryland in 1832, furnished "a currency as safe as silver, more convenient, and more valuable than silver, which through the whole Western and Southern and interior parts of the Union, is eagerly sought in exchange for silver; which, in those sections, often bears a premium paid in silver; which is, throughout the Union, equal to silver, in payment to the government, and payments to individuals in business." Mr. McDuffie, who submitted the minority report in the House at the same time, declared that "The whole business of dealing in domestic bills of exchange, so essential to the internal commerce of the country, has been almost entirely brought about within the last eight years. In June, 1819, the bank did not own a single dollar of domestic bills; and in December, 1824, it owned only to the amount of \$2,378,980; whereas it now owns to the amount of \$23,052,972."¹

¹ House Rep., 460, 22d Cong., 1st Sess., 312.